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# FORM AR21

To be used for reporting years starting on or after 6 April 2015

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

MUSICIANS' UNION

Year ended:

31 DECEMBER 2017

List no:

154T

Head or Main Office:

60-62 Clapham Road  
London  
SW9 0JJ

Website address (if available)

<http://www.musiciansunion.org.uk/>

Has the address changed during the year to which the return relates?

Yes

No

(Click the appropriate box)

General Secretary:

Horace Trubridge

Telephone Number:

020 7582 5566

Contact name for queries regarding

Sailesh P Mehta

Telephone Number:

080 7388 7000

E-mail:

smehta@hwfisher.co.uk

**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 0330 109 3602

The address to which returns and other documents should be sent are:

**For Unions based in England and Wales:**

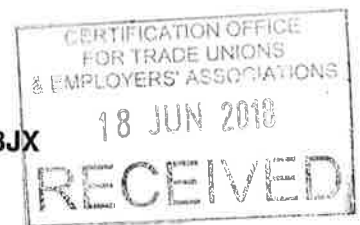
Certification Office for Trade Unions and Employers' Associations

Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX

**For Unions based in Scotland:**

Certification Office for Trade Unions and Employers' Associations

Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised November 2017)

## Appendix C

### MUSICIANS' UNION

#### EXECUTIVE COMMITTEE EXPENDITURE

The members of the Executive Committee are reimbursed for any expenditure incurred by them in the performance of their duties on behalf of the Union. They are also reimbursed for their loss of earnings whilst on Union business and this is listed below. In certain cases these amounts are reimbursed directly to the employer of the Executive member.

<u>Name</u>	<u>Amount</u> £	<u>Name</u>	<u>Amount</u> £
R Ballantyne	2,301	D Lee	6,373
C Chesterman	NIL	G Newson	NIL
N Dixon	1,687	R Noakes	NIL
S Done	2,543	R Page	NIL
K Dyson	NIL	D Pigott	492
R Finlay	776	E Spencer	NIL
A Gascoine	NIL	B White	NIL
A Gleadhill	1,050	P Williams	1869
P Hartley	1,275	Sarah Williams	NIL
A Hopgood	70	Horace Trubridge	NIL

# RETURN OF MEMBERS

(see notes 10 and 11)

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
Unknown	87	1	0	0	<b>88</b>
MALE	20,921	193	13	81	<b>21,208</b>
FEMALE	9,001	101	3	20	<b>9,125</b>
TOTAL	30,009	295	16	101	A <b>30,421</b>

Number of members included in totals box 'A' above for whom no home or authorised address is held:

	3
Number of members at end of year contributing to the General Fund	28,637

## OFFICERS IN POST

(see note 12)

**Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.**

## RETURN OF CHANGE OF OFFICERS

**Please complete the following to record any changes of officers during the twelve months covered by this return.**

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
See Appendix A			

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

# GENERAL FUND

(see notes 13 to 18)

	£	£
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		5,513,612
<b>From Members:</b> Other income from members (specify)		
 <b>Total other income from members</b>		
<b>Total of all income from members</b>		5,513,612
<b>Investment income (as at page 12)</b>		998,848
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)	<del>1,760,766</del>	
Income from any other sources (as at page 4)	1,770,757	
<b>Total of other income (as at page 4)</b>		1,760,766
	<b>TOTAL INCOME</b>	8,273,226
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		1,157,994
<b>Administrative expenses (as at page 10)</b>		5,269,415
<b>Federation and other bodies (specify)</b>		
Trade Union	84,873	
Other Affiliations	146,251	
<b>Total expenditure Federation and other bodies</b>		231,124
<b>Taxation</b>		215,427
	<b>TOTAL EXPENDITURE</b>	6,873,960
Surplus (deficit) for year		1,399,266
Amount of general fund at beginning of year		17,025,674
Amount of general fund at end of year		18,424,940

# ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Collection and Distribution Account collection fee	167,560	
Services, Sound and Vision Corporation	9,000	
Dubbing agreements	-	
BBC - cable revenue	712,621	
ITV - cable revenue	39,918	
Employment Creation Fund	967	
The Educational Recording Agency Limited	801,900	
Commission and other income	15,419	
Undistributable monies from C & D account	13,381	
<b>TOTAL OTHER INCOME</b>		1,760,766
<b>TOTAL OF ALL OTHER INCOME</b>		1,760,766

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues	285,504	<b>brought forward</b>	683,759
		Education and Training services	
		Training and education services	20,412
		Members training	59,731
Representation – Non Employment Related Issues			
		Negotiated Discount Services	
Communications	341,900		
		Salary Costs	
Advisory Services			
		Other Benefits and Grants (specify)	
		Instrument insurance	191,524
Dispute Benefits		Public liability insurance	49,793
		Tax protection insurance	52,775
		Donation to MU Benevolent fund	100,000
Other Cash Payments	56,355		
<b>carried forward</b>	683,759	<b>Total (should agree with figure in General Fund)</b>	1,157,994

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Benevolent Fund	£	£
<b>Income</b>			
	From members		
	Investment income (as at page 12)		20,841
	Other income (specify)		
	Donation	109,991	
	<b>Total other income as specified</b>		109,991
	<b>Total Income</b>		130,832
<b>Expenditure</b>			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		136,515
	<b>Total Expenditure</b>		136,515
	<b>Surplus (Deficit) for the year</b>		(5,683)
	<b>Amount of fund at beginning of year</b>		493,265
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		487,582
	<b>Number of members contributing at end of year</b>		N/A

FUND 3		Fund Account	
Name:	Collection & Distribution No. 4	£	£
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Funds Received	1,410,739	
	<b>Total other income as specified</b>		1,410,739
	<b>Total Income</b>		1,410,739
<b>Expenditure</b>			
	Benefits to members	1,101,202	
	Administrative expenses and other expenditure (as at page 10)	167,560	
	<b>Total Expenditure</b>		1,268,762
	<b>Surplus (Deficit) for the year</b>		141,977
	<b>Amount of fund at beginning of year</b>		421,402
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		563,379
	<b>Number of members contributing at end of year</b>		N/A

(See notes 24 and 25)

FUND 4		Fund Account	
Name:		£	£
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

FUND 5		Fund Account	
Name:		£	£
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		



(See notes 24 and 25)

<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

<b>FUND 7</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>		
		<b>£</b>	<b>£</b>	
<b>Income</b>	Members contributions and levies		85,345	
	Investment income (as at page 12)			
	Other income (specify)			
	Total other income as specified			
	Total income		85,345	
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		31,919	
	Administration expenses in connection with political objects (specify)		66,610	
	Non-political expenditure			
		Total expenditure		98,529
		Surplus (deficit) for year		(13,184)
		Amount of political fund at beginning of year		24,384
		Amount of political fund at the end of year (as Balance Sheet)		11,200
	Number of members at end of year contributing to the political fund		22,736	
	Number of members at end of the year not contributing to the political fund		7,685	
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		7,390	

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>		
		<b>£</b>	<b>£</b>	
<b>Income</b>	Contributions and levies collected from members on behalf of central political fund			
	Funds received back from central political fund			
	Other income (specify)			
	Total other income as specified			
	Total income			
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)			
	Administration expenses in connection with political objects (specify)			
	Non-political expenditure			
		Total expenditure		
		Surplus (deficit) for year		
		Amount held on behalf of trade union political fund at beginning of year		
		Amount remitted to central political fund		
	Amount held on behalf of central political fund at end of year			
	Number of members at end of year contributing to the political fund			
	Number of members at end of the year not contributing to the political fund			
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund			

# ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

<b>Administrative Expenses</b>		£
Remuneration and expenses of staff		4,097,154
Salaries and Wages included in above	£3,168,301	
Auditors' fees		43,279
Legal and Professional fees		31,205
Occupancy costs		355,908
Stationery, printing, postage, telephone, etc.		130,101
Expenses of Executive Committee (Head Office)		121,824
Expenses of conferences		109,438
Other administrative expenses (specify)		
Regional Committee		68,655
Re-measurement of defined benefit liability		(680,000)
Appendix B		757,363
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		234,488
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Restructuring Costs		
Grants and Benefits (Benevolent fund)		136,515
Collection and Distribution Admin fee		167,560
<b>Total</b>		5,573,490
Charged to:	General Fund (Page 3)	5,269,415
	Fund (Account 2)	136,515
	Fund (Account 3)	167,560
	Fund (Account )	█
<b>Total</b>		5,573,490

# ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contributions s £	Other Benefits		
				Description	Value £	
John Smith (General Secretary)	221,145	12,607	23,512	Car	7,090	264,354
Horace Trubridge (General Secretary)	92,265	11,887	21,148	Car	8,142	133,442

# ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			307,877
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			514
Other investment income (specify)			
Profit or (loss) on sale of investments			271,008
Profit or (loss) on exchange rates			73,061
Increase in market valuation			367,229
		Total investment income	1,019,689
		Credited to:	
		General Fund (Page 3)	998,848
		Fund (Account 2)	20,841
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		Total Investment Income	1,019,689

# BALANCE SHEET as at 31 December 2017

(see notes 47 to 50)

Previous Year		£	£
1,003,212	<b>Fixed Assets</b> (at page 14)		873,504
	<b>Investments</b> (as per analysis on page 15)		
14,196,888	Quoted (Market value £ 15,085,677)	15,085,677	
65,085	Unquoted	130,085	
14,261,973	<b>Total Investments</b>		15,215,762
	<b>Other Assets</b>		
	Loans to other trade unions		
1,390,727	Sundry debtors		1,131,078
1,904,388	Cash at bank and in hand		2,022,207
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
3,295,115	<b>Total of other assets</b>		3,153,285
18,560,300	<b>TOTAL ASSETS</b>		19,242,551
17,025,854	Fund (Account 1)		18,424,940
493,265	Fund (Account 2)		487,582
	Fund (Account )		
	Superannuation Fund (Account )		
24,384	Political Fund (Account )		11,200
	Revaluation Reserve		
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
184,750	Tax payable		203,335
1,083,910	Sundry creditors		998,231
421,402	Accrued expenses		563,380
(964,596)	Provisions		(1,732,596)
291,331	Other liabilities		286,479
18,560,300	<b>TOTAL LIABILITIES</b>		19,242,551
18,560,300	<b>TOTAL ASSETS</b>		19,242,551

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment	Motor Vehicles	Not used for union business	Total
	Freehold Leasehold	£	£	£	£	£
<b>Cost or Valuation</b>						
At start of year	2,065,478		294,162	499,970		2,859,610
Additions			19,060	109,744		128,804
Disposals				(168,524)		(168,524)
Revaluation/Transfers						
At end of year	2,065,478		313,222	441,190		2,819,890
<b>Accumulated Depreciation</b>						
At start of year	1,354,758		283,898	217,739		1,856,395
Charges for year	78,816		5,192	150,485		234,493
Disposals				(144,500)		(144,500)
Revaluation/Transfers						
At end of year	1,433,574		289,090	223,724		1,946,388
<b>Net book value at end of year</b>	631,904		24,132	217,466		873,502
<b>Net book value at end of previous year</b>	710,720		10,264	282,231		1,003,215

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

<b>QUOTED</b>	All Funds Except Political Funds £	Political Fund  £
Equities (e.g. Shares)	15,085,677	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)	15,085,677	
Market Value of Quoted Investment	15,085,677	
<b>UNQUOTED</b>		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
	130,085	
TOTAL UNQUOTED (as Balance Sheet)	130,085	
Market Value of Unquoted Investments	130,085	



# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
MU Nominee Company Ltd.	3243018		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
	Held in trust by John Smith, General Secretary, MU		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	5,513,612	85,345	5,598,957
From Investments	1,019,689		1,019,689
Other Income	1,770,757		1,770,757
<b>Total Income</b>	<b>8,304,058</b>	<b>85,345</b>	<b>8,389,403</b>
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	<b>6,910,475</b>	<b>98,529</b>	<b>7,009,004</b>
<b>Funds at beginning of year</b> (including reserves)	17,518,939	24,384	17,543,323
<b>Funds at end of year</b> (including reserves)	18,912,522	11,200	18,923,722
<b>ASSETS</b>			
Fixed Assets			873,504
Investment Assets			15,215,762
Other Assets			3,153,285
		<b>Total Assets</b>	<b>19,242,551</b>
<b>LIABILITIES</b>		<b>Total Liabilities</b>	<b>318,829</b>
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			<b>18,923,722</b>

The amounts in respect of the Collection & Distribution Funds totalling £563,380 represent cash balances awaiting distribution to musicians or their beneficiaries. As a result they do not form part of the reserves of the Union. Consequently, whilst they have been included within Form AR21 they have not been included within the amounts set out on the Summary Sheet.

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

**All notes to the accounts must be entered on or attached to this part of the return.**

# ACCOUNTING POLICIES

(see notes 74 and 75)

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

**including the accounts and balance sheet contained in the return.**

Secretary's Signature:  Name: <u>HORACE TRUBRIDGE</u> Date: <u>12.06.2018</u>	Chairman's Signature:  (or other official whose position should be stated) Name: <u>DAVID LEE</u> Date: <u>12 June 2018</u>
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## CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED	<input type="checkbox"/>	TO FOLLOW	<input checked="" type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

# AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?  
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES  NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES  NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in rule 83)


YES  NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 85)

SEE ATTACHED SHEET

# AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:		
Name(s):	H W Fisher & Company	
Profession(s) or Calling(s):	Chartered Accountants Statutory auditors	
Address(es):	Acre House 11-15 William Road London, NW1 3ER United Kingdom	
Date:	15 June	2018
Contact name and telephone number:	Sailesh P Mehta 0207 388 7000	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

# MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the  
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

**YES/NO**

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

## MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

*For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer*

5. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

**YES/NO**


6. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

**YES/NO**

If the answer to **either** questions 5 or 6 is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**

# MEMBERSHIP AUDIT CERTIFICATE (continued)

Signature of assurer	
Name	<i>H W Fisher &amp; Company</i>
Address	<i>Acre House 11 - 15 William Road London NW1 3ER United Kingdom</i>
Date	<i>15 June 2012</i>
Contact name and telephone number	<i>Sailesh P Mehta 020 7388 7000</i>



**MEMBERSHIP AUDIT CERTIFICATE**

**SECTION TWO**

*For a trade union with no more than 10,000 members at the end of the reporting period preceding the one to which this audit relates.*

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

YES/NO

If "NO" Please explain below:

Signature

--

Name

--

Office held

--

Date

--

## Appendix B

### MUSICIANS' UNION

<b>Schedule of other admin expenses</b>	<b><u>2017</u></b>
Repairs and maintenance	59,706.00
Motor vehicle costs	12,869.00
Hire of equipment	38,693.00
Computer costs	150,223.00
Section Committees	31,694.00
Ballot expenses	61,037.00
Sundry expenses	8,484.00
Bank charges	30,588.00
VAT previous periods	6,342.00
Advertising	45,986.00
Member incentive	-
Public relations	2,818.00
Leaflets	23,804.00
Research	
Events, Exhibitions & Seminars	31,412.00
Magazine/Publication expenses	13,933.00
Archiving costs	5,822.00
Canteen	10,495.00
Bulk email	
Marketing	
Other Digital Communications	-
Other Promotional	76,434.00
Grants and awards	31,075.00
Delegates expenses including travel	62,716.00
Investment management fees	62,323.00
MU Re-branding	
IT Projects	
Net finance charge	(28,000.00)
Change in Investment market valuation	
Provision against cash investment	
Profit/ (Loss) on disposal of fixed assets	(20,154.00)
Website development	
Other Digital Communications	
War Horse Band Payments	
Special Projects	22,799.00
Brand Management	16,264.00
	<u>757,363.00</u>

**MUSICIANS' UNION**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF MUSICIAN'S UNION**

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**Opinion**

We have audited the financial statements of the Musicians Union ["The Union"] for the year ended 31 December 2017 which comprise the Income and Expenditure account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2017 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Executive Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Executive Committee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **MUSICIANS' UNION**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF MUSICIAN'S UNION**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

The Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Union has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in this regard.

#### **Responsibilities of Executive Committee**

As explained more fully in the Statement of Responsibilities of the Executive Committee, the Executive Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

**MUSICIANS' UNION**

**INDEPENDENT AUDITOR'S REPORT**

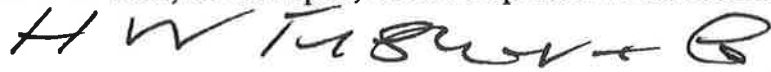
**TO THE MEMBERS OF MUSICIAN'S UNION**

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material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the Union's members, as a body. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.



**H W Fisher & Company**

**Chartered Accountants**

**Statutory Auditor**

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

9 May 2018

**MUSICIANS' UNION**  
**ACCOUNTING CONVENTION**  
**YEAR ENDED 31 DECEMBER 2017**

**Information in respect of the union**

Musicians' Union is a trade union registered in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 with its head office at 60-62 Clapham Road, London, SW9 0JJ.

**Accounting framework**

The accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"). The Union is a Public Benefit Entity.

In accordance with FRS102, the format of these accounts is based on those contained in the Regulations to the Companies Act 2006, notwithstanding that the Union does not report under that Act. The formats have been adapted, as required by Part 1 of Schedule 1 of the Regulations, in order that they give a true and fair view of the Union's activities.

**Presentation currency**

The financial statements have been prepared in sterling, which is the functional currency of the Union. Monetary amounts of these financial statements are rounded to the nearest £'000.

**Going concern**

The Executive Committee considers that there are no material uncertainties about the Union's ability to continue as a going concern.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There have been no significant judgements made in the preparation of these financial statements.

**MUSICIANS' UNION**  
**ACCOUNTING POLICIES**  
**YEAR ENDED 31 DECEMBER 2017**

The accounts have been prepared under the historical cost convention as modified to include the revaluation of certain fixed assets, and in accordance with the specific accounting policies as set out below.

**Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property (excluding land), plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Buildings	2/10% per annum on cost
Fixtures and fittings	10/20% per annum on cost
Computer equipment	33% per annum on cost
Telephones	20/50% per annum on cost
Motor vehicles	33% per annum on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price (where applicable). The income and expenditure account includes the net gains and losses arising on revaluation and disposals throughout the year. The Union does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the union is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term investments with original maturities of three months or less, and bank overdrafts.

**Revenue recognition**

The following criteria must also be met before revenue is recognised:

**Contribution income**

Contribution income is accounted for on an accruals basis

**Other income**

Certain receipts in the Main Fund are accounted for once received as they are non-contractual and are not received on predetermined dates.

**Interest income**

Revenue is recognised as interest is received.

**MUSICIANS' UNION**  
**ACCOUNTING POLICIES**  
**YEAR ENDED 31 DECEMBER 2017**

**Dividends**

Revenue is recognised when the Union's right to receive payment is established.

**Corporation tax**

Corporation tax is payable on interest income, rental income and chargeable gains arising on the disposal of properties and investment but only to the extent that these exceed expenditure on the provident benefits. Corporation tax is also payable on certain other income.

**Deferred tax**

Deferred income liabilities arise in relation to the difference between the fair value of investments and their original cost less any indexation applicable.

Deferred tax is calculated at the tax rates that are expected to apply in the period where the liability is settled or the asset is realised. Deferred tax is charged or credited in the income and expenditure accounts.

The Union has adopted a reinvestment policy whereby all realised proceeds on disposal of fixed asset investments are reinvested into fixed asset investments, thereby eliminating the need for the recognition of a deferred tax asset or liability.

**Short-term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

**Leasing commitments**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

**Pensions and other post-retirement benefits**

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 17.

The Union operates a defined benefit pension scheme, which requires contributions to be made to an administered fund. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and



**MUSICIANS' UNION**  
**ACCOUNTING POLICIES**  
**YEAR ENDED 31 DECEMBER 2017**

to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for the plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Musicians' Union is the sponsoring employer of defined benefit scheme as it has legal responsibility for the plan. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan, therefore the company has recognised the entire net defined benefit cost and relevant net defined benefit liability in its financial statements.

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£'000	£'000
<b>1. OTHER INCOME</b>		
Collection and Distribution Account collection fee	168	127
Services, Sound and Vision Corporation	9	12
Dubbing agreements	-	82
BBC WW - cable revenue	713	695
ITV & other cable revenue	40	43
Employment Creation Fund	1	31
The Educational Recording Agency Limited	802	824
Commission and other income	15	9
Undistributable monies from C & D No 4 account	13	24
	<u>1,761</u>	<u>1,847</u>
	2017	2016
	£'000	£'000
<b>2. EMPLOYEE COSTS</b>		
Salaries and national insurance	3,168	3,259
Pensions to retired officials	4	4
Pension costs	825	817
Organising expenses	145	174
Training and sundry expenses	15	14
	<u>4,157</u>	<u>4,268</u>
	2017	2016
	£'000	£'000
<b>3. PROPERTY AND EQUIPMENT COSTS</b>		
Rent, rates, light, heat and cleaning	302	262
Repairs and maintenance	60	51
Motor vehicle costs	13	13
Hire of equipment	39	31
Profit on disposal of fixed assets	(20)	(40)
Depreciation	234	327
IT costs	150	139
Insurance	54	53
	<u>832</u>	<u>836</u>

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£'000	£'000
<b>4. REPRESENTATION COSTS</b>		
<b>Committees, Delegates &amp; Stewards</b>		
Executive committee	122	109
Delegates conference	109	51
Section committees	32	59
Regional committees	21	24
Stewards' commission	48	44
<b>International Representation</b>		
FIM Affiliation fees	103	90
Delegates expenses	63	29
	<u>498</u>	<u>406</u>
	2017	2016
	£'000	£'000
<b>5. BENEFITS &amp; SERVICES TO MEMBERS</b>		
<b>Member Benefits</b>		
Legal defence of members	285	267
The Musician	238	249
Training and education services	20	11
Instrument insurance	192	186
Public liability insurance	50	49
Personal accident insurance	56	80
Tax protection insurance	53	65
Diaries, publications & loyalty pins	104	142
Members training	60	55
<b>Communications</b>		
Advertising	46	39
Public relations	3	-
Leaflets	24	25
Events, exhibitions & seminars	31	43
Brand management	16	7
Special Projects	23	-
Other promotional	76	53
	<u>1,277</u>	<u>1,271</u>

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2017

	2017 £'000	2016 £'000
<b>6. ADMINISTRATIVE EXPENSES</b>		
<b>Administration</b>		
Printing, postage, stationery and telephone	130	113
Ballot expenses	61	39
Magazine/publication subscriptions	14	20
Archiving costs	6	-
Catering	10	13
Sundry expenses	10	8
Bank charges	31	29
VAT previous periods	6	5
<b>Professional Fees</b>		
Audit fee	43	41
Legal and professional	26	44
Investment management fees	62	60
Property management fees	5	7
<b>Project Costs</b>		
War Horse band reimbursements	-	(4)
Dilapidations on lease terminations	-	11
	<u>404</u>	<u>386</u>
	2017	2016
	£'000	£'000
<b>7. GRANTS &amp; AFFILIATION FEES</b>		
Grants and awards	31	37
Donation to MU Benevolent Fund	100	81
Trades Union Congress	85	84
GFTU	28	27
Other affiliations	14	9
	<u>258</u>	<u>238</u>
	2017	2016
	£'000	£'000
<b>8. INVESTMENT INCOME</b>		
Income from listed investments	307	278
Bank interest receivable	-	11
Profit on sale of investments	271	93
Net profit/(loss) on forward foreign exchange contracts	73	(387)
	<u>651</u>	<u>(5)</u>

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2017

	2017 £'000	2016 £'000
<b>9. CORPORATION TAX</b>		
Corporation tax at 19.25% (2016 : 20.00%)	183	185
Under provision in respect of prior periods	33	-
Tax charge for the year	<u>216</u>	<u>185</u>

	Land & Buildings £'000	Fixtures Fittings & Equip- ment £'000	Motor Vehicles £'000	Total £'000
<b>10. FIXED ASSETS</b>				
<b>Cost</b>				
At 1 January 2017	2,065	294	500	2,859
Additions	-	19	110	129
Disposals	-	-	(169)	(169)
At 31 December 2017	<u>2,065</u>	<u>313</u>	<u>441</u>	<u>2,819</u>
<b>Accumulated depreciation</b>				
At 1 January 2017	1,355	284	217	1,856
Charge for the year	79	5	150	234
Relating to disposals	-	-	(144)	(144)
At 31 December 2017	<u>1,434</u>	<u>289</u>	<u>223</u>	<u>1,946</u>
<b>Net book value</b>				
At 31 December 2017	<u>631</u>	<u>24</u>	<u>218</u>	<u>873</u>
At 31 December 2016	<u>710</u>	<u>10</u>	<u>283</u>	<u>1,003</u>

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2017

	MF unlisted invest- ments £'000	MF listed invest- ments £'000	BF listed invest- ments £'000	Total £'000
<b>11. INVESTMENTS</b>				
<b>Market Value</b>				
At 1 January 2017	65	13,989	207	14,261
Additions	-	2,370	-	2,370
Disposals	-	(1,787)	-	(1,787)
Net movement in cash deposits	-	4	-	4
Change in investment values	65	282	20	367
<b>At 31 December 2017</b>	<b>130</b>	<b>14,859</b>	<b>227</b>	<b>15,216</b>
	<b>2017</b>		<b>2016</b>	
	<b>Cost Value £'000</b>	<b>Market Value £'000</b>	<b>Cost Value £'000</b>	<b>Market Value £'000</b>
Ruffer investments	5,678	5,917	5,329	5,862
Legal and General investments	5,632	7,666	5,407	6,938
Miscellaneous investments	936	1,276	922	1,189
Unlisted investments	65	130	65	65
Benevolent Fund unit trusts	94	227	94	207
	<b>12,405</b>	<b>15,216</b>	<b>11,817</b>	<b>14,261</b>

As set out in the accounting policies, no provision has been made for deferred tax due to the reinvestment policy adopted by the Union.

	2017 £'000	2016 £'000
<b>12. SUNDRY DEBTORS AND PREPAYMENTS</b>		
Trade debtors	426	726
Other debtors	10	124
Prepayments and accrued income	695	541
	<b>1,131</b>	<b>1,391</b>

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2017

	2017 £'000	2016 £'000
<b>13. SUNDRY CREDITORS, ACCRUALS AND DEFERRED INCOME</b>		
Trade creditors	47	150
Other creditors	361	304
Accruals and deferred income	590	630
	<u>998</u>	<u>1,084</u>
	PPL £'000	C & D £'000
<b>14. INDEMNITY FUNDS HELD</b>		Total £'000
Balance at 1 January 2017	250	41
Payments made	-	(4)
	<u>250</u>	<u>37</u>
Balance at 31 December 2017		287
		2017
		2016
		£'000
		£'000
<b>15. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>A. Reconciliation of surplus, before taxation, to net cash inflow from operating activities</b>		
Surplus after investment operations	915	913
Bank interest received	-	(11)
Income from listed investments	(307)	(278)
Depreciation	234	327
Movement of investments' market valuation	(367)	(1,753)
Net pension scheme income	(88)	(125)
Profit on sale of fixed assets	(20)	(40)
Profit on sale of investments	(271)	(93)
Increase in creditors	52	8
Decrease/(increase) in debtors	260	(700)
	<u>408</u>	<u>(1,752)</u>
<b>Net cash inflow/(outflow) from operating activities</b>		
		Cash at bank and on deposit £'000
<b>B. Analysis of net funds</b>		
At 1 January 2017		1,906
Cashflow		116
		<u>2,022</u>
At 31 December 2017		

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2017

16. OPERATING LEASES

At 31 December 2017, the Union had obligations of total future minimum lease payments under non-cancellable operating leases for the following period:

	2017		2016	
	Plant & Equip-ment £'000	Land & Buildings £'000	Plant & Equip-ment £'000	Land & Buildings £'000
Expiry date:				
No later than one year	32	82	34	80
Later than one, no later than 5 years	77	128	95	176
Later than five years	2	135	1	175
	<u>111</u>	<u>345</u>	<u>130</u>	<u>431</u>

The lease payment recognised as an expense during the year was £130,761 (2016: £91,604)

17. REMUNERATION

In the year ended 31 December 2017, the total remuneration for the position of General Secretary was £373,302 (2016: £155,728). The position was held by two individuals during 2017. The figure for 2017 includes a contractual severance payment to the outgoing General Secretary.



**MUSICIANS' UNION**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2017**

**18. STAFF PENSION SCHEMES**

The Musicians' Union operates two pension schemes as follows:

**(a) Defined Contribution Scheme**

The Union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Union in an independently administered fund. The charge for the year was £764,718 (2016: £756,791).

**(b) Defined Benefit Scheme**

The Union currently operates a defined benefit pension scheme for its employees and officials. The assets are held in trustee administered funds separate from the Union's finances. This note sets out the pension cost information required for Musicians' Union to meet its pension obligations as specified under FRS 102. The accounting date to which these disclosures relate is 31 December 2017.

The last full actuarial valuation of the Musicians' Union Permanent Officials and Staff Pension Fund was carried out using the chosen assumptions and then the results have been updated to reflect the position at 31 December 2017. The next full valuation is scheduled for 1 January 2018.

The main financial assumptions used were:

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Rate of increase in pensionable salaries	<b>3.35%</b>	<b>3.40%</b>	<b>3.15%</b>
Rate of increase in pensions in payment	<b>3.35%</b>	<b>3.40%</b>	<b>3.15%</b>
Discount rate for scheme liabilities	<b>2.60%</b>	<b>2.80%</b>	<b>3.90%</b>
Rate of inflation	<b>3.50%</b>	<b>3.55%</b>	<b>3.30%</b>

**Mortality assumption**

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently age 65 will live on average for a further 22.4 years if they are male; and for a further 24.5 years if they are female.

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2017

18 STAFF PENSION SCHEMES

(Continued)

**Net Assets of the scheme**

The net pension assets recognised in the Union's balance sheet as at 31 December 2017 is as follows:

	2017 £'000	2016 £'000
Equities	5,486	5,303
Bonds	6,259	1,136
Property	1,184	6,060
Cash/other	122	126
Total market value of assets	<u>13,051</u>	<u>12,625</u>
Present value of liabilities	<u>(11,318)</u>	<u>(11,660)</u>
Scheme surplus	<u>1,733</u>	<u>965</u>

**Analysis of FRS102 movement:**

	2017 £'000	2016 £'000
Contributions	60	60
Return on scheme assets	342	427
Interest on scheme liabilities	<u>(314)</u>	<u>(362)</u>
Net interest on defined benefit liability	<u>28</u>	<u>65</u>
Net pension scheme income	88	125
Remeasurement of defined benefit pensions	<u>680</u>	<u>(801)</u>
	<u>768</u>	<u>(676)</u>
Pension assets brought forward	<u>965</u>	<u>1,641</u>
Pension assets carried forward	<u>1,733</u>	<u>965</u>

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2017

18 STAFF PENSION SCHEMES

(Continued)

Changes to the present value of the defined benefit obligation during the year

	2017 £'000	2016 £'000
Opening defined benefit obligation	11,660	9,594
Interest cost	314	362
Liabilities & changes to demo & fin assumptions	240	2,313
Net benefits paid out	(896)	(609)
Closing defined benefit obligation	<u>11,318</u>	<u>11,660</u>

Changes to the fair value of scheme assets during the year

	2017 £'000	2016 £'000
Opening fair value of scheme assets	12,625	11,235
Expected return on scheme assets (interest on assets)	342	427
Actuarial gains/(losses) on scheme assets in excess of interest	920	1,512
Contributions by the employer	60	60
Net benefits paid out	(896)	(609)
Closing fair value of scheme assets	<u>13,051</u>	<u>12,625</u>